

**MINUTES OF THE SPECIAL MEETING OF THE  
ROWAN COUNTY BOARD OF COMMISSIONERS  
BUDGET WORK SESSION**

**June 2, 2010 – 4:00 PM**

**J. NEWTON COHEN, SR. ROOM**

**J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING**  
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Present: Carl Ford, Chairman  
Chad Mitchell, Vice-Chairman  
Jon Barber, Member  
Raymond Coltrain, Member  
Tina Hall, Member

County Manager Gary Page, Clerk to the Board Carolyn Athey, County Attorney Jay Dees and Finance Director Leslie Heidrick were present.

Chairman Ford convened the meeting at 4:00 pm.

Chairman Ford provided the Invocation and also led the Pledge of Allegiance.

**1. CHAIRMAN'S COMMENTS**

Chairman Ford reported that for two (2) consecutive years, the Board and the County would operate "doing more with less". Chairman Ford said he would provide additional comments later in the meeting.

**2. REVIEW & DISCUSSION OF PROPOSED FY 2010-11 BUDGET**

County Manager Gary Page explained that the proposed budget reflected what he felt were the goals of the Board.

Mr. Page highlighted the proposed budget and said a net of eight (8) positions would be cut, with four (4) employees losing their jobs. Mr. Page said the budget also contained some reorganization and privatization of services.

Mr. Page said there were over \$12 million in capital requests and that he only recommended \$160,000 in new expenses with \$103,000 being for a new elevator. Mr. Page emphasized that the elevator was used by the public when attending board meetings, etc.

Mr. Page said Rowan Salisbury Schools (RSS) had requested an additional \$3 million; however, he saw no way for the County to provide those funds. Mr. Page said the Board could negotiate with RSS in the next few weeks.

Mr. Page said Rowan Cabarrus Community College (RCCC) asked for increases totaling \$4 million and he had recommended \$150,000 for the overhead to operate the new building. Mr. Page said an option might be for RCCC to have a bond referendum on the November ballot.

Mr. Page discussed the proposed areas of privatization, which included maintenance at the Rowan County Airport (Airport) and vehicle maintenance.

In regards to the Airport, Mr. Page reported that Rowan County was the only county with a general aviation airport that provided maintenance service and he said the County lost approximately \$50,000 per year as a result. Mr. Page discussed the County's liability for allowing mechanics to work on planes. Mr. Page said if the Board adopted the budget, a transition plan would need to be enacted to gradually stop services by September or October.

Commissioner Mitchell asked how the County would guarantee maintenance service would continue to be provided. Mr. Page responded that the County may have to put out a Request for Proposals (RFP) if several companies wanted to provide the service. Mr. Page said the County would not be able to guarantee an exclusive franchise due to grant monies received; however, the RFP could dictate providing services on site with no rent charged to the company, as well as stating the operating hours and number of days of operation each week, in addition to other options.

Commissioner Mitchell said he would support privatization at the Airport with the explanation as provided by the County Manager, as long as the service was monitored closely.

Commissioner Mitchell said the liability issue bothered him the most and asked if it would fall under the County's self-insurance. Mr. Page explained that privatizing the services would save the County \$2,000 on the insurance premium.

Commissioner Mitchell asked what the total savings would be for privatizing services and Mr. Page said the savings would be \$50,000 and the Airport would be \$100,000 "in the red" versus \$150,000.

Commissioner Coltrain asked if the two (2) companies interested in providing the maintenance service would employ the current county staff. Mr. Page said he thought one (1) of the employees would be hired. Commissioner Coltrain inquired if the guaranteed employment of current mechanics could be incorporated with negotiations. Mr. Page said part of the reason for the County to move to privatization was due to the overhead of having two (2) employees

with benefits and salaries. Mr. Page said he would be hesitant to pass that on to someone else.

Commissioner Coltrain suggested the companies be encouraged to hire the County's mechanics during the negotiations since the county would be providing a special deal on the hangar.

Mr. Page discussed the second area of privatization which pertained to vehicle maintenance. Mr. Page said vehicle maintenance was currently a one-man department and that he felt when the department was created consideration had not been given to worker's compensation or health insurance costs. Mr. Page said there were also questions as to why the County paid rent for a garage when the County had a facility where maintenance could be performed. Mr. Page said the County could pay for lifts to be installed at the County facility and the lifts would be paid off in three (3) years since the County would not be paying rent. Mr. Page said the employee could work with the maintenance department if there were no vehicles to work on.

Mr. Page said the other issue was the lifts in the current garage were not big enough to accommodate ambulances; therefore, ambulances were being taken to dealerships for maintenance. Mr. Page said by moving the garage, the County could afford to buy the lifts to accommodate ambulances.

Mr. Page said there were three (3) options for the Board to consider:

1. Leave maintenance service as is
2. Privatize maintenance service
3. Have a hybrid operation

Commissioner Hall inquired as to how other counties handled the service and Mr. Page said they use dealerships. Mr. Page said using dealerships was easier due to having less people to supervise, no inventory, no tools or liability risks. Mr. Page said the other option could require employees to use their personal vehicles and the County would pay mileage. Mr. Page said the County currently had a mix of services and he felt it would be best to either privatize maintenance or provide complete in-house maintenance that would incorporate ambulances.

Commissioner Hall asked if the employee accepted outside work. Mr. Page said there were other employees at the garage that took other work. Mr. Page said it would raise some questions if the employee finished working on county vehicles and then began working on other vehicles; however, if another employee on his staff completed the work it would not be an issue.

Mr. Page repeated that it would take the County three (3) years to pay for installation of lifts at another location. Mr. Page said the additional items such as tools and jacks would also have to be purchased, which would extend the payback period to eight (8) or ten (10) years.

Commissioner Hall asked if privatization would be the best option at this point. Mr. Page explained that privatization would have to be phased in like the airport maintenance and that it would take sixty (60) to ninety (90) days to make the transition. Mr. Page said neither of the options were “easy”.

Commissioner Coltrain said the average annual cost for privatization would be approximately \$131,264 while the current system averaged \$67,000 annually. Commissioner Coltrain said the current maintenance building on Airport Road would be a great facility for vehicle maintenance. Commissioner Coltrain asked if the County would need to cross-train another employee to handle vehicle maintenance if the hybrid option were chosen. Mr. Page said yes.

Mr. Page said with the hybrid option the County gained accountability while saving on the maintenance work.

Commissioner Coltrain said he would be in favor of working towards the hybrid option.

Commissioner Mitchell said the County had found several years ago the current mechanic providing maintenance service had the lowest bid and accepting the bid would have cost the County more than keeping him as an employee. Commissioner Mitchell said without a doubt, unless the economy had changed significantly, bidding out the service would cost more money.

Commissioner Mitchell said he did not have a problem changing to a hybrid system but questioned whether the location would be long-term, and whether one person, along with the Facilities Management Department, could perform all the maintenance necessary on all vehicles or would services still have to be contracted out.

Mr. Page said locating the garage at the Facilities Maintenance Department could cause a problem later when the building had to be torn down for the runway extension at the Airport.

Commissioner Mitchell said the expense of installing and moving the lifts, plus the potential expense of building a new maintenance facility could be significant later. Commissioner Mitchell said he would be willing to support a hybrid system as long as the County did not go through all this to find out the work load was more than one (1) mechanic could do.

Commissioner Mitchell said he would like to see an assessment of the hours worked and the hours necessary before making a decision on the hybrid model. Commissioner Mitchell said he did not support complete privatization as it may significantly cost the County. Commissioner Mitchell said he would like to see an assessment as to what one (1) mechanic could reasonably do and whether it

would be a full time job and also if the mechanic could accommodate the various types of vehicles including ambulances.

Commissioner Mitchell suggested the Board allow the Manager to make the assessment on the shift to a hybrid system for a centralized facility.

Chairman Ford asked if the National Guard building would be coming available and Mr. Page said if so, he felt the National Guard would be willing to work with the County on that facility.

Commissioner Hall asked the Manager to include salary, insurance and rent in the assessment.

Mr. Page said he would be glad to provide a more definitive comparison to the Board. Mr. Page said he would work on a justification to bring back to the Board.

In response to a query from Commissioner Barber, Mr. Page highlighted what could be potential reductions in services for the same time next year. The reductions included cutting programs or staff, options for five (5) furlough days, cut salaries 1%, cut parks and library hours, and cut contributions to nonprofits by approximately 50%. Mr. Page said ten (10) positions would be cut out of "growth positions" and the County may have to cut supplemental retirement contributions. Mr. Page said the only other option as opposed to cutting employees, would be to cut schools.

Commissioner Barber asked the Board to consider using some of the \$1.7 million in undesignated fund balance to fund the Economic Development Commission (EDC) at the requested level.

Commissioner Barber asked the County Manager and Human Resources Director to provide some special recognition programs for employees at the next budget work session.

Commissioner Barber said he would like to see an assessment for membership with the NCACC and Centralina Council of Government (COG) as to what the County received in return for paying dues. Commissioner Barber said the County could still receive grant funds through COG; however, there would be some administration fees.

Commissioner Barber discussed Rufty Holmes Senior Center and the need for an additional \$20,000 to continue services for seniors. Commissioner Barber asked the Board to reconsider adding the additional \$20,000 to the budget for this year.

Commissioner Barber thanked the schools for reducing dropout rates. Commissioner Barber said the County had been using lottery proceeds to pay

down bond debt and asked how much had been received in lottery proceeds. Ms. Heidrick said she would have to look up the figure. Commissioner Barber asked to get that number, as well as the impact those funds had on fund balance.

Commissioner Barber urged the Board to consider ways to address the issues at Rowan Cabarrus Community College.

Mr. Page suggested inviting the schools and the community college to make a presentation during the June 14<sup>th</sup> work session.

Commissioner Barber said he would like to know how many employees would be affected if the gap could not be closed with the school system and how the school system would like to use the classroom supply money.

Commissioner Barber expressed concern with the State's budget and the long session scheduled next year.

Chairman Ford called for a recess at 5:15 pm.

Chairman Ford reconvened the meeting at 5:23 pm.

(County Attorney Jay Dees left during the recess).

Commissioner Coltrain expressed support for using the \$1.7 million in undesignated funds for the EDC's request. Commissioner Coltrain discussed areas where the County could invest money now in order to make money in the long run, such as repairing Dan Nicholas Park's putt-putt course and the repairs needed at Rowan Museum. Commissioner Coltrain noted that Rufty Holmes was also in need of \$20,000. Commissioner Coltrain said the Board should work with the school system in order to meet the system's needs. Commissioner Coltrain agreed with the suggestion to have the Board hear from RSS and RCCC on June 14, 2010.

Commissioner Coltrain asked Mr. Page to expand on his recommendations for the Inspections Department. Mr. Page said over the past several months citizens, contractors and elected officials had complained that the Inspections Department was not business friendly, plan reviews were not completed in a timely fashion and questions were not answered on a timely basis. Mr. Page recommended the Board reorganize the department and hire an individual with twenty-plus years of experience and Level 3 certifications in all areas to oversee the department. Mr. Page said his recommendation was not intended to be negative towards any individual; however, he felt that based on the complaints it was time to bring a new perspective and leadership to the department. Mr. Page said within six (6) months he would know if the reorganization was successful.

Commissioner Coltrain moved to give the County Manager approval to move forward with this process.

Mr. Page asked if the motion meant the Board was agreeing by consensus to allow the position to be advertised and Commissioner Coltrain said yes.

Chairman Ford said a straw vote was needed and the reorganization would be a part of the budget approval.

Commissioner Mitchell said he preferred not to make a decision now and to wait for the public to have an opportunity to comment during the public hearing.

Commissioner Hall and Chairman Ford agreed with Commissioner Mitchell.

Commissioner Coltrain withdrew his motion with anticipation that a decision would be made with the budget approval.

Commissioner Hall said there may be funds through Rowan Jobs Initiative (RJI) for the EDC to utilize without having to increase the budget. Commissioner Hall asked Mr. Page to check with the EDC Director regarding those funds.

Commissioner Hall noted that when Rowan Museum took ownership of its building, the County agreed to maintain the outside of the building. Commissioner Hall said she would like to see the \$20,000 budgeted used to repair the outside of Rowan Museum.

Commissioner Hall asked Mr. Page to address the request from Social Services for two (2) additional positions in Child Protective Services. Mr. Page said the positions would be paid jointly with the State paying 55% and the County paying 45%. Mr. Page said he was hoping the department could find a way to make it another year. Mr. Page said it was the Board's decision and he could put the positions back in the budget. Commissioner Hall said the Board should try to find the money for the positions to help citizens receive needed services.

Commissioner Hall suggested the Board consider the County's membership in the North Carolina Association of County Commissioners (NCACC) and also the Charlotte Regional Partnership (CRP). Commissioner Hall said she wanted to see the benefits and advantages the County received for its membership with (CRP).

Commissioner Mitchell discussed the request from the EDC and expressed support to fund the request due to the hard work the EDC had put forth the past few years. Commissioner Mitchell said the EDC had accomplished the goals set forth by the Board and the requested amount was a small amount to pay. Commissioner Mitchell detailed the EDC's success with creating jobs and promoting Rowan County.

Commissioner Mitchell said he would support moving the funds from the CRP to the EDC if the Board decided to terminate the County's membership with the CRP. Commissioner Mitchell said the EDC Director should be involved in the discussions regarding the CRP before a decision was made.

Commissioner Mitchell said the Rescue Squad was also doing more with less. Commissioner Mitchell said the Rescue Squad had taken over an ambulance route at the request of the County and was losing money on the route. Commissioner Mitchell said the County had adopted an ambulance ordinance, which provided the County with 25% of ambulance fees. Commissioner Mitchell said he would like the Board to consider the \$75,000 request and suggested exempting the Rescue Squad from the ambulance ordinance. Commissioner Mitchell said the Board had two (2) choices for which to continue to operate the route: (1) increase the Rescue Squad's appropriation, or change the ordinance; (2) build a facility, purchase ambulances and hire employees for a County provided service. Commissioner Mitchell said he was not willing to cut the route. Commissioner Mitchell asked the County Manager to give an assessment of the financial implications.

Mr. Page said it would cost \$750,000 to \$1 million for the County to provide the service to the route. Mr. Page said being able to contract with the Rescue Squad was the best option.

Commissioner Mitchell said emergency services in Rowan County would decline if the County could not fund the Rescue Squad to the point where they were not losing money. Commissioner Mitchell said the Board needed to negotiate a deal with the Rescue Squad.

Commissioner Mitchell said he would like to "hold RSS harmless from last year's budget".

Commissioner Mitchell said he would be willing to discuss the two (2) additional positions for DSS.

In response to Commissioner Mitchell, Mr. Page said the Health Department position was 100% state funded. Commissioner Mitchell said Medicaid escrow was getting dangerously low and at some point a reduction of services would occur at the Health Department. Commissioner Mitchell said the Department had needs and he hoped it could hang on for one (1) more year.

Commissioner Mitchell said the general public needed to understand that the County had \$1.7 million from the sale of land. Commissioner Mitchell said as far as he was concerned using some of the money for one-time uses would be okay.

Commissioner Mitchell discussed the implications of reaching the statutory limit of fund balance.



Chairman Ford said he was told by a member of RJI there was \$45,000 that could be returned to the County. Chairman Ford said he would have no problem giving those funds to the EDC.

Chairman Ford referred to the budgeted cost of the elevator for the administration building and said the elevator was required to meet ADA standards.

Chairman Ford said he appreciated the savings from bidding out health insurance this year. Chairman Ford suggested requiring new hires to take on a small percentage of their insurance costs.

Chairman Ford said the \$1.7 million from SCC could be used for replacing the roof at Rowan Museum, the Justice Center, or at RCCC. Chairman Ford also suggested using some of those funds for an imaging system for adult Medicaid, which would cost approximately \$114,000.

Chairman Ford agreed with the two (2) child protective services positions for DSS.

Chairman Ford said he understood the County would have to spend \$17,000 to keep grant funds if the County cut its membership to COG.

Chairman Ford said the County would not be able to continue to fund everything such as the United Way and make up for the cuts from the State.

Chairman Ford said the enrollment was down for RSS for the second year in a row. Chairman Ford said on page nine (9) of the budget there was a breakdown of other counties and he noted that only Cabarrus County outspent Rowan per pupil. Chairman Ford said Cabarrus County had the Speedway and Concord Mills, which provided a lot of revenue.

Chairman Ford said he agreed with the budget the way it was and said he could live with maintaining the funding for the schools.

Chairman Ford said he would like to discuss the CRP membership with the EDC Director in order to see what the County received for paying dues. Chairman Ford said if the Board chose to cancel the membership, he would support giving those funds to the EDC.

Commissioner Barber suggested when RSS came to address the Board, they should look at each of the referenced schools in the budget message and provide a comparison. Commissioner Barber said the student demographics for each school system were significantly different and said he was not sure they would be a "like for like" comparison.

Commissioner Hall said she thought it would be a fair comparison for all surrounding counties. Commissioner Barber responded that Davidson County was a neighboring county; however it was not a fair comparison due to the difference of demographics.

### **3. ADJOURNMENT**

There being no further business to come before the Board, Commissioner Mitchell moved to adjourn at 6:26 pm. The motion was seconded by Commissioner Barber and passed unanimously.

Respectfully Submitted,

Carolyn Athey, CMC, NCCCC  
Clerk to the Board/Assistant to the County Manager